

MINUTES
JOINT FINANCE-APPROPRIATIONS COMMITTEE

DATE: Wednesday, February 08, 2023

TIME: 8:00 A.M.

PLACE: Room C310

MEMBERS PRESENT: Senators Co-Chairman Grow, Bjerke, Burtenshaw, Lent, Cook, VanOrden, Adams, Herndon, Ward-Engelking, and Just
Representatives Co-Chairman Horman, Miller, Bundy, Raybould, Furniss, Handy, Lambert, Petzke, Tanner, and Nash

ABSENT/ EXCUSED: Representative Furniss

CONVENED: **Co-Chairman Grow** called the meeting of the Joint Finance-Appropriations Committee (Committee) to order at 8:00 a.m.

LSO STAFF PRESENTATION: **IDAHO DIVISION OF CAREER TECHNICAL EDUCATION (CTE) ANALYST OVERVIEW; Nathan Osborne, Analyst, Legislative Services Office (LSO) Budget and Policy Analysis**
Mr. Osborne presented a summary and the statutory authority for CTE, noting the agency consists of five budgeted programs that oversee the administration, course delivery, CTE teacher preparation, and career related training. Those budgeted programs are: Administration; Secondary and General Programs; Postsecondary Programs; Educator Services Program; and Related Programs. He briefly overviewed the programs by fiscal year (FY) 2022 appropriated amounts, noting that Postsecondary Programs, and Secondary and General programs make up 80 percent of CTE's total budget (see attachment 1). **Mr. Osborne** informed that much of the appropriated secondary funds pass through to 18 CTE schools and 2 CTE programs housed in different high schools. He noted CTE's December 2022 audit had two findings for distribution of federal and non-federal funds.

AGENCY PRESENTATION: **CTE; Clay Long, State Administrator**
Mr. Long reviewed that CTE is one of the agencies under the State Board of Education, and its mission is to prepare Idaho's youth and adults for high skill, in-demand careers through secondary programs delivered through local education agencies, post-secondary programs delivered through the technical college system, and related programs such as fire service training, adult education, and GED. He reviewed CTE's statistical highlights for the school districts and allies offering secondary programs, and funding of new programs and expansion of existing programs (see attachment 2). **Mr. Long** reviewed last year's FY 2023 approved line items and how the funded programs succeeded. He summarized the strategically focused FY 2024 request regarding personnel, postsecondary program expansion, an increase to secondary program cost funds, the Federal Apprenticeship Grant, Luma appropriation realignment, the Firefighter Training Grant, and the Governor's recommended change in employee compensation increase.

DISCUSSION: In response to Committee questions, **Mr. Long** provided further details regarding fire service training, the Apprenticeship Grant request, programmatic cost funds, the addition of nine and a half full-time equivalent positions (FTP), and audit findings oversight.

AGENCY PRESENTATION: **IDAHO SMALL BUSINESS DEVELOPMENT CENTERS (SBDC); Will Fowler, Associate State Director**

Mr. Fowler stated the SBDC has been in existence for more than 35 years and provides no cost professional one-on-one consulting, and no or low cost trainings, for Idaho businesses through six regional offices across the state, each partnered with and hosted by a college or university. He summarized the SBDC's successes, new jobs created, community benefits, tax revenue, and economic impact its appropriation has provided (see attachment 3). He pointed out the importance of its assistance to rural areas and underserved population groups. He summarized SBDC's FY 2024 budget request line items and the impact they would make to Idahoans.

AGENCY PRESENTATION: **TECHHELP; Steve Hatten, Executive Director**

Mr. Hatten informed TechHelp, which is headquartered at Boise State University's College of Business and Economics, empowers manufacturers by assisting companies to embrace productivity enhancing innovative technologies, to navigate advanced manufacturing solutions, and to recruit and retain a skilled workforce. Its intent is to grow revenues, increase productivity, and to strengthen the global competitiveness of Idaho manufacturers (see attachment 4). **Mr. Hatten** explained TechHelp is based out of state universities in Pocatello, Twin Falls, Boise, and Post Falls. He summarized statistics of the successes manufacturing companies created in the state in 2021. He reviewed the FY 2024 operating budget requests.

LSO STAFF PRESENTATION: **DEPARTMENT OF COMMERCE ANALYST OVERVIEW; Matt Farina, Analyst, LSO Budget and Policy Analysis**

Mr. Farina presented the agency's mission is to aid in job creation, support existing companies, and strengthen communities through multiple economic development programs to both new and existing businesses. He summarized the agency's objectives and broadband funding (see attachment 5). **Mr. Farina** explained the agency houses the Idaho Broadband Advisory Board (IBAB), which is made up of three senators, three representatives, and three members appointed by the Governor, and is responsible for statewide broadband planning. He discussed the agency's funding and expenditures from FYs 2018 through 2023.

AGENCY PRESENTATION: **DEPARTMENT OF COMMERCE; Tom Kealey, Director**

Mr. Kealey presented that the agency is the lead economic development agency for the state, with a mission to foster a business friendly environment, to aid in quality job creation, support existing companies, strengthen communities, promote innovation, and market Idaho domestically and internationally. He

highlighted several projects the agency worked on during FY 2022, and upcoming for FY 2023. He reviewed the Governor's recommendation for an increase in the agency's dedicated spending authority due to achieving the highest tourism collections revenue generating year on record. **Mr. Kealey** discussed that Idaho is currently ranked in the lowest quartile in the nation for broadband connectivity. He summarized the history of General Funds allotted for broadband connectivity and specific funding projects decided upon by the IBAB (see attachment 6). He discussed the implementation of allocated FY 2023 funds and what part of the various process the projects are currently in, and discussed the FY 2023 supplemental recommendation for ongoing spending authority for broadband projects and infrastructure.

DISCUSSION:

In response to Committee questions, **Mr. Kealey** discussed the supplemental request for the Idaho Women's Business Center, the Governor's Recommendation for Infrastructure Investment and Jobs Act of 2021 (IIJA) broadband projects and infrastructure, broadband maintenance costs to the state, and the IBAB's strategic plan.

Alex J. Adams, Administrator, Idaho Division of Financial Management, stated the IBAB has more than \$400 million worth of projects that have been submitted and are ready to begin, with federal rules requiring project commitments by the end of 2024, and project completion by the end of 2026.

**LSO STAFF
PRESENTATION:**

**IDAHO DEPARTMENT OF LABOR (DOL) ANALYST OVERVIEW;
Matt Farina, Analyst, LSO Budget and Policy Analysis**

Mr. Farina presented the DOL has three budgeted programs:

- Determinations, which includes unemployment insurance, appeals and disability termination services;
- Workforce and Commissions, which consists of local office operations, labor exchange activities, and employment and training programs, Idaho Jobs Corps, and the Idaho Human Rights Commission; and
- Administrative Services, which provides support to the other programs to fill department needs in accounting, information technology, human resources, facilities, communications and research.

He stated the core function of the DOL is to provide services for job seekers and businesses, and provide benefits to workers who have lost their job through no fault of their own. It provides labor market and economic data at the state, regional, and local level to assist the Social Security Administration in processing disability claims and works to prevent discrimination in connection with employment, public accommodations, and real property transactions. **Mr. Farina** summarized the actual expenditures by fund for FY 2017 through FY 2022; and the amount of money paid out in unemployment benefits (see attachment 7). He informed the Committee there were no open audit findings.

**AGENCY
PRESENTATION:**

DOL; Jani Revier, Director

Ms. Revier presented a brief overview of each DOL division and discussed budget considerations within the each division (see attachment 8). She discussed unemployment insurance, disability determination services, Idaho's minimum wage payments, Appeals Bureau hearing officers, the pandemic workload spike for benefits and appeals, collecting on overpayments, disability determination service funded by the SSA, the tight labor market, Idaho Job Corps program, the Idaho Human Rights Commission services, and the Governor's Recommendation regarding funding. **Ms. Revier** also discussed the Luma supplemental request, and the DOL's FY 2024 budget requests.

DISCUSSION:

In response to Committee questions, **Ms. Revier** discussed the dollar amounts of benefits paid out of the unemployment insurance trust fund and federal programs, as well as what the DOL is doing to collect on over \$74 million in overpayments. She provided more details about the Luma budget alignment, and the DOL trust fund which supplies the dedicated fund with federal dollars.

**LSO STAFF
PRESENTATION:**

**IDAHO WORKFORCE DEVELOPMENT COUNCIL ANALYST
OVERVIEW; Matt Farina, Analyst, LSO Budget and Policy Analysis**

Mr. Farina described the agency provides support in three areas:

- Workforce Development, which includes increasing public awareness of available education and training, helping to maintain a highly skilled workforce and meeting the requirements of the Workforce Investment Board as set forth in the Workforce Innovations Opportunity Act, and to develop and oversee procedures, criteria and performance measures for the Workforce Development Training Fund;
- Workforce Training Grants, which are grants from workforce training and apprenticeships to provide access for individuals impacted by the pandemic for training aligned to employer needs. These funds were first appropriated in FY 2023; and
- Childcare Infrastructure Grants, which provided supplemental funding for child care expansion grants.

He summarized the appropriation and expenditures from FY 2019, which was the first year the agency was appropriated, through FY 2023 (see attachment 9). He remarked the agency's appropriation for workforce development has remained relatively stable across the time they've been an agency, with the large increases due to childcare and workforce grants. **Mr. Farina** explained the agency does not use General Fund dollars as they have a dedicated fund source that comes from three percent of unemployment insurance taxes and federal funds from providing support and managing multiple federal grants. He informed the Committee there were no open audit findings.

**AGENCY
PRESENTATION:**

**IDAHO WORKFORCE DEVELOPMENT COUNCIL (COUNCIL);
Wendi Secrist, Executive Director**

Ms. Secrist informed that the Council is a 37 member body appointed by the Governor, with over 50 percent of its members having to come from the private sector, representing industries throughout the state. She reviewed the Council's goals, and that appropriation and expenditures are dedicated funds used primarily to award grants that range from one to three years in length. She discussed how spending authority for the fund works and how many grant projects were impacted by the pandemic. **Ms. Secrist** detailed each FY 2024 line item recommendation and how the funds would be used (see attachment 10).

DISCUSSION:

In response to Committee questions, **Ms. Secrist** discussed the funding for the scholarship grant program, the awarding of grants to expand training opportunities, STEM workforce training, and childcare infrastructure grants.

ADJOURNED:

There being no further business before the Committee, Co-Chairman Grow adjourned the meeting at 10:50 a.m.

Senator Grow
Chair

Erin Miller
Secretary